

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
153 Halsey Street  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

-----  
IN THE MATTER OF: :

Charles D. Conway, :

CRD # 2814014 :

Respondent :

SUMMARY BAR ORDER

-----  
Inmate Charles D. Conway  
Fort Dix Federal Correctional Institution  
5756 Hartford & Pointville Road  
Fort Dix, New Jersey 08640

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") under the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq. ("Law"), more particularly, N.J.S.A. 49:3-56, and after careful review and due consideration of:

- 1) New Jersey Supreme Court Ethics Suspension Order, D-134 In the matter of Charles D. Conway, an Attorney at Law, ("Ethics Suspension Order") dated April 30, 2001.
- 2) Attorney Ethics Complaint, Docket Number XIV-01-081E Office of Attorney Ethics vs. Charles D. Conway, Esq., ("Ethics Complaint") dated February 22, 2002.
- 3) New Jersey Supreme Court Disbarment Order, D-142, In the matter of Charles D. Conway, an Attorney at Law, ("Disbarment Order") dated May 20, 2003.
- 4) Indictment, 04-95 United States of America v. Charles D. Conway, filed February 5, 2004, ("Indictment").

5) Forfeiture Order, 04-95 (SRC) United States of America v. Charles D. Conway, dated March 31, 2004, ("Forfeiture").

6) Plea Agreement 04-95 (SRC) United States v. Charles Conway, dated March 31, 2004 ("Plea Agreement").

7) Judgment 04-95(SRC), United States of America v. Charles D. Conway, dated December 13, 2004, ("Judgment"), the Bureau Chief makes the following findings of fact:

1. Charles D. Conway ("Conway"), residing in Dover Township, New Jersey 08096, was an agent of American Capital Corporation (CRD #16124), a New Jersey registered broker-dealer, from October 1996 to May 1997. American Capital Corporation's headquarters is located in Valley Forge Pennsylvania. The CRD indicated that he was terminated for failure to disclose outside employment.

2. Conway was registered with the Bureau as an agent of Domestic Securities Inc., (CRD # 34721), a New Jersey registered broker-dealer, headquartered in Montvale New Jersey from December 2001 to May 2002. According to the Indictment, during the period of registration, Conway held himself out as a trader and sole practicing attorney in the areas of taxation, elder law, estate planning, probate and fiduciary litigation, and maintained offices at various locations including 157 Route 37 West, in Toms River, New Jersey.

3. According to the Indictment, Conway's former client, Elaine G. Kislak, while living in Ocean Township, created the Rita and Harry Greenberger Foundation through her will. Kislak died in 1989 without heirs. Conway served as the executor of the will and principal trustee of the foundation. The foundation was created for scientific, educational and charitable purposes.

4. According to the Indictment, from at least early 1995 through at least February 2004 in the State of New Jersey and elsewhere, Conway knowingly and willfully devised and intended to devise a scheme or artifice to defraud the Rita and Harry Greenberger Foundation out of \$1,431,356.70 dollars and to obtain money and property from it by means of materially false and fraudulent pretenses, representations, and promises.

5. According to the Indictment, a random compliance audit review by the New Jersey Office of Attorney Ethics disclosed that Conway knowingly misappropriated at least \$499,992.20 from the Harry and Rita Greenberger Foundation and that the funds were utilized by Conway for various personal or business purposes such as purchasing the building where he maintained his law office in the amount of (\$194,992.20), investing in a company called Serhus, Conway & Suss (SCS) in which he had a business interest, and purchasing a \$547,000.00 shore home for himself in Beach Haven, New Jersey (\$105,000.00).

6. On May 5, 2001, Conway was temporarily suspended from the practice of law and on May 20, 2003 Conway was disbarred by consent, for misappropriation of funds held for a charitable foundation, failure to safeguard property and failure to cooperate with an ethics investigation.

7. On February 5, 2004, Conway was indicted by a grand jury sitting in the United States District Court, District of New Jersey charging him with three counts of Wire Fraud in violation of 18 U.S.C. §1343, eight counts of Mail Fraud, in violation of 18 U.S.C. §1341, one count of Money Laundering in violation of 18 U.S.C. §1957, thirteen counts of Money Laundering in violation of 18 U.S.C. §1956, one count of Obstruction of Justice in violation of 18 U.S.C. §1503, one count of Tampering with a Witness in violation of 18 U.S.C. §1512, one count of Perjury in violation of 18 U.S.C. §1621 and five counts of Tax evasion in violation of 26 U.S.C. §7201.

8. On April 7, 2004, Conway entered a guilty plea to one count of Mail Fraud, in violation of 18 U.S.C. §1341, one count of Money Laundering in violation of 18 U.S.C. §1957, one count of Obstruction of Justice in violation of 18 U.S.C. §1503, one count of Witness Tampering in violation of 18 U.S.C., §1512, one count of Perjury in violation of 18 U.S.C. §1621; and five counts of Tax Evasion in violation of 26 U.S.C. § 7201.

9. On December 6, 2004, Conway entered a plea of guilty to one count of Mail Fraud, in violation of 18 U.S.C. §1341, one count of Money Laundering in violation of 18 U.S.C. §1957, one count of Obstruction of Justice in violation of 18 U.S.C. §1503, one count of Witness Tampering in violation of 18 U.S.C., §1512, one count of Perjury in violation of 18 U.S.C. §1621, five counts of Tax Evasion in violation of 26 U.S.C. § 7201, sentenced to 78 months in federal prison and ordered to pay restitution in the amount of two hundred ninety five thousand two hundred thirty eight dollars and fifty-nine cents (\$295,238.59).

10. Pursuant to N.J.S.A. 49:3-56(k), "[t]he bureau chief may summarily bar...any person, who has been convicted of ... any crime involving any theft, forgery or fraudulent practices barred from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being under common control or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in this State

For the reasons stated above, it is on this <sup>54</sup>Day of *May*, 2005 ordered that Charles D. Conway be and hereby is, summarily barred pursuant to N.J.S.A. 49:56(k) from being a partner, officer, or director of an issuer, broker dealer or investment adviser or from occupying a similar status or performing a similar function or from directly or indirectly controlling an issuer, broker-dealer or investment adviser, or from acting as a broker dealer, agent or investment

adviser or from being employed or associated with a broker dealer or investment adviser in any capacity in the State of New Jersey and;

It is further ordered that exemptions to certain securities transactions provided by N.J.S.A. 49:3-50 (b)(1), (2), (3), (9), (11) and (12) are hereby denied.

DATED: May 5, 2005

By: Franklin L. Widmann  
Franklin L. Widmann  
Chief, Bureau of Securities

### NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-56(k), any person barred by this subsection shall be entitled to request a hearing by the same procedures as set forth in subsection(c) of N.J.S.A. 49:3-50. Pursuant to N.J.S.A. 49:3-50(c)(1), upon service of the order issued by the Bureau Chief, the respondent shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five (5) days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau. Orders issued pursuant to subsection (c) shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order shall be held in any event within 20 days after it is requested; and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-50(c)(2) if a respondent fails to respond by either filing, a written answer and written request for a hearing with the bureau or moving to vacate an order within the 15 days prescribed period, the respondent shall be deemed to have waived the opportunity to be heard. The Order will remain in effect until modified or vacated upon notice to all interested parties by the Bureau Chief.

### NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47, provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.